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VIA OVERNIGHT MAIL

December 13, 2005

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED

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PUBLIC SERVICE
COMMISSION

John J. Finnigan, Jr.
Senior Counsel

RE: The Annual Cost Recovery Filing for Demand Side Management by The Union
Light, Heat and Power Company, Case No. 2005-00402

Dear Ms. O'Donnell:

On December 6, 2005, the Kentucky Public Service Commission issued an Order in the above-referenced case. Ordering Paragraph three of that Order required ULH&P to file a copy of its customer notice with the Commission.

In order to comply with this Order, I am enclosing twelve copies of the customer notice ULH&P is publishing. Per the Commission's regulations, ULH&P will publish this notice once per week for three consecutive weeks, in a newspaper of general circulation in ULH&P's service area.

Please date stamp and return the two extra copies of this letter and the notice in the enclosed envelope.

If you have any questions, please do not hesitate to call me.

Sincerely,

John J. Finnigan, Jr.
Senior Counsel

JJF/sew

cc: All parties of record (w/encl.)

NOTICE

Please take notice that The Union Light, Heat and Power Company (“ULH&P”) has applied to the Kentucky Public Service Commission for approval to revise its Demand Side Management (“DSM”) rates for gas and electric service in Case No. 2005-00402. ULH&P’s current monthly DSM rate for residential gas customers is 3.29914 cents per hundred cubic feet and for non-residential gas customers is 0.00 cents per hundred cubic feet. ULH&P’s current monthly DSM rate for residential electric customers is 0.1723 cents per kilowatt-hour and for non-residential customers is (0.0328) cents for distribution service and 0.00 cents for transmission service.

ULH&P seeks approval to revise these rates as follows: ULH&P’s monthly DSM rate for residential gas customers would decrease to 1.51033 cents per hundred cubic feet and for non-residential gas customers would remain at 0.00 cents per hundred cubic feet. ULH&P’s monthly DSM rate for residential electric customers would decrease to 0.1109 cents per kilowatt-hour and for non-residential customers would increase to (0.0121) cents for distribution service and to 0.00 cents for transmission service.

The rates contained in this notice are the rates proposed by ULH&P. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Any corporation, association, body politic or person may by motion within thirty (30) days after publication or mailing of notice of the proposed rate changes request leave to intervene. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. Intervenors may obtain copies of the application and testimony by contacting ULH&P through Ms. Anita M. Schafer, Cinergy Services, Inc., 2500 Atrium II, P.O. Box 960, Cincinnati, Ohio 45201-0960. A copy of the application is also available for public inspection at ULH&P’s offices at 1697 A Monmouth Street, Newport Shopping Center, Newport, Kentucky 41071.